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Financial Statement Audit Coverage Plan for Fiscal Years 2007/2008 Through 2009/2010

November 2006

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of British Columbia

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Mr. Rob Fleming, MLA
Chair
Select Standing Committee on Public Accounts
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8X 1X4

Dear Sir:

I am honoured to transmit to the Select Standing Committee on Public Accounts my Financial Statement Audit Coverage Plan for the appointment of auditors for government organizations and trust funds for fiscal years 2007/2008 through 2009/2010, as required by section 10(6) of the Auditor General Act.

Arn van Iersel, CGA
Auditor General (Acting)

Victoria, British Columbia
November 2006

Copy: Mr. Craig James
Clerk of Committees
Legislative Assembly of British Columbia

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Acting Auditor General's Comments

The Auditor General Act establishes the Auditor General as the auditor of the government reporting entity, which consists of all government organizations and trust funds included in the consolidated financial statements of government (the Summary Financial Statements). The Auditor General's annual audit of the Summary Financial Statements must be in accordance with generally accepted auditing standards (GAAS) as prescribed by the Canadian Institute of Chartered Accountants. This audit provides assurance to legislators and the citizens that the financial statements present fairly the financial position and results of operations of the province.

There are two distinct components to the Summary Financial Statements:

- Core government operations, which is the Consolidated Revenue Fund. Under the Act, the Auditor General is the auditor for all government ministries (currently 19) and funds or appropriations that are part of the Consolidated Revenue Fund. These organizations do not have separate financial statements, but their financial results are included in government's Summary Financial Statements. This audit work is funded through the annual appropriation for the Office and therefore is not part of this plan.
- The financial results for the 146 government organizations and trust funds that are included in the government reporting entity. Canadian generally accepted accounting principles (GAAP) establishes criteria for determining whether organizations and trust funds should be included in the government reporting entity. All these organizations prepare their own annual financial statements that must be audited. Section 10 of the Act establishes the auditor appointment process for these government organizations and trust funds. All of these entities have separate financial statements that are prepared each year and whose results are consolidated into government's Summary Financial Statements.

This Financial Statement Audit Coverage Plan, covering the three fiscal years 2007/2008 through 2009/2010, has been prepared in accordance with the requirements of the Act and is presented to the Select Standing Committee on Public Accounts (referred to here as the Public Accounts Committee) for its review and approval as required by Section 10 of the Act.

Various sections of the Act give explicit direction on information to be included in the plan:

- Section 10(7)(d) requires the Auditor General to obtain Public Accounts Committee approval for an exemption from the prohibition against continuing as appointed auditor of a government

organization or trust fund for a period of more than five consecutive fiscal years.

- Section 14 of the Act requires the Auditor General to obtain the prior consent of the Public Accounts Committee to accept an appointment or continue, as appointed auditor for organizations outside the government reporting entity.
- Section 10(9) of the Act requires the Public Accounts Committee to approve the plan, including any amendments the Committee makes before giving its approval.

This plan addresses all of these requirements under the Act.

Recommendations

I recommend that the Select Standing Committee on Public Accounts:

1. Approve the Financial Statement Audit Coverage Plan for the fiscal years 2007/2008 through 2009/2010, as shown in Appendix A.
2. Consent to the Auditor General continuing as the appointed auditor for 14 government organizations and trust funds, where the engagement term exceeds five consecutive fiscal years, as listed on pages 7-8.
3. Consent to the Auditor General being appointed auditor for two organizations outside the government reporting entity, as listed on page 10.
4. Endorse the Auditor General's continued administration of the auditor appointment process as described in this plan.

Plan Foundations

The current Auditor General Act was brought into force in March 2003. One requirement introduced in the Act was that the Auditor General must present the Public Accounts Committee with an annual three-year coverage plan for financial statement audits.

The foundation of the plan is the requirement under Canadian generally accepted auditing standards (GAAS) that appointed auditors have sufficient knowledge and understanding of the operations of organizations making up the consolidated financial statements being audited. This understanding is a requirement in determining whether the information contained within the consolidated financial statements is complete and has been fairly presented.

This knowledge can be obtained by directly auditing the significant organizations and trust funds that make up the consolidated financial statements. It can also be obtained by developing an audit plan that places reliance on the work of other auditors who have been appointed auditors of the individual organizations and trust funds being consolidated. This reliance can vary depending on the perceived risks of each entity - from involvement in the planning, conducting and reporting of the audits to communication with the appointed auditors on the intended reliance on their work.

The province's Summary Financial Statements are a consolidation of the Consolidated Revenue Fund and 146 other government organizations and trust funds. As auditor of the Summary Financial Statements, the Auditor General must ensure that the audit plan is designed to obtain sufficient and appropriate coverage of organizations in the government reporting entity to meet professional requirements under GAAS.

Since it is not necessary for the Auditor General to directly carry out the audits of all government organizations and trust funds included in the Summary Financial Statements, the plan has been developed to ensure that the Auditor General's direct audit coverage is broad enough to allow an appropriate involvement in issues facing significant government organizations and sectors. And, equally as important, it also allows the Auditor General to provide an overall government perspective on significant accounting issues in government organizations and across sectors through varying levels of involvement with the audits.

This proposed plan represents the minimum audit coverage required under GAAS to allow the Auditor General to sign the audit opinion on government's Summary Financial Statements.

Specific Items to Be Included in the Plan

The Auditor General Act specifies that the plan presented to the Public Accounts Committee for approval must:

- list all government organizations and trust funds that the Auditor General proposes to audit directly and those that will be audited by other auditors;
- discuss the criteria and selection process used for the appointment process of government organizations and trust funds;
- include information about the involvement of the Auditor General in the audit of government organizations and trust funds for which other auditors are appointed;
- report on consultations between the Auditor General and the organizations and trust funds impacted by the plan; and
- discuss the implications of the plan on the budget of the Office.

Also, the Auditor General Act indicates that, unless approved by the Public Accounts Committee, the Auditor General must not be the auditor of a government organization or trust fund for a period of more than five consecutive fiscal years.

And, finally, the Auditor General may be appointed the auditor of organizations or trust funds outside the government reporting entity, but must obtain prior consent of the Public Accounts Committee.

The following sections describe the key components of the plan and provide the required information highlighted above.

How We Prepare the Plan

Designing the Plan

In designing the coverage plan, the 146 entities in the government reporting entity are divided into three distinct groups for our assessment of the required audit coverage:

First, on an annual basis, all known or planned new government organizations or trust funds are identified. Based on an assessment of the significance and risks of these entities, the Auditor General determines if it is appropriate to audit any of them directly for the first three years (consistent with Section 10(4) of the Act).

Second, for each homogeneous groups of government organizations (e.g. health authorities, school districts, colleges, and universities), the Auditor General needs to ensure that a direct audit involvement is maintained with at least one organization and have oversight

involvement in several others. The proposed plan rotates involvement through the organizations on a three to five year cycle. This allows the Auditor General to keep abreast of risk and issues in and across each of these groups.

And, finally, for heterogeneous groups of organizations (Crown corporations and trust funds), the level of involvement is determined using a risk-based assessment focusing on the extent to which each organization:

- delivers a core service;
- has a significant public policy role;
- has a high level of public interest;
- is significantly funded through appropriation or has significant financial impact on the Summary Financial Statements;
- has a high inherent risk to government (with respect to programs delivered or roles fulfilled);
- in a complex organization; or
- has likely future issues that could materially impact the Summary Financial Statements.

The plan can also be impacted by other considerations such as the ongoing capacity development needs of the Office. Since the Office is a licensed practicing organization for training students to become professional accountants, a significant responsibility includes ensuring students receive sufficient and appropriate experience. The experience gained by articling students on Crown corporation audits is essential to ensure the Office meets their professional development needs. Retaining enough of these audits helps ensure we can continue as an accredited training office, and create additional capacity of professional accountants for the Office.

Distinct Levels of Involvement

The plan is based on three levels of audit involvement by the Auditor General:

- *Limited involvement:* an auditor other than the Auditor General is appointed auditor of the organization or trust fund. The planned role of the Auditor General is limited to meeting minimum professional requirements (e.g., communicating with appointed auditors on intended reliance, and reviewing appointed auditor's files on a sample basis).
- *Oversight involvement:* an auditor other than the Auditor General is appointed auditor of the organization or trust fund. By conducting

extended procedures (e.g. attending at audit committee meetings, reviewing appointed auditor's audit plans and year-end audit files), the Auditor General is better able to understand the business of and issues in these significant organizations.

- *Direct audit involvement:* the Auditor General is the auditor for the organization. The audit is conducted either directly by staff of the Auditor General or through competitively bid contracts with private sector audit firms. In either case, the Auditor General is responsible for the audit and signs the audit opinion.

The Plan for 2007/2008 through 2009/2010

The proposed three-year plan for fiscal years 2007/2008 through 2009/2010 is presented in Appendix A. This shows the Auditor General's proposed audit involvement for each government organization and trust fund for each year of the plan. It also includes the implemented coverage levels for each organization in 2005/2006 and 2006/2007 for comparison.

This proposed plan is designed to meet the required audit coverage under Canadian generally accepted auditing standards, in order to permit the Auditor General to sign the audit opinion on government's Summary Financial Statements.

The following table provides a summary of proposed audit coverage by entity type for each year of the plan. See the prior page for explanation of levels of involvement.

Entity Types	# of Entities	2007/2008 Level of Involvement			2008/2009 Level of Involvement			2009/2010 Level of Involvement		
		Limited	Oversight	OAG	Limited	Oversight	OAG	Limited	Oversight	OAG
Colleges	20	16	3	1	16	3	1	15	3	2
School Districts	60	55	3	2	55	3	2	55	3	2
Universities	6	3	2	1	3	2	1	3	2	1
Health Authorities	6	3	2	1	3	2	1	3	2	1
Hospital Societies	10	9	1	0	9	1	0	9	1	0
Regional Authorities	1	0	0	1	0	1	0	0	1	0
Trust Funds	5	4	0	1	4	0	1	4	0	1
Crown Corporations	38	16	8	14	17	9	12	18	8	12
Total	146	106	19	21	107	21	18	107	20	19

The plan represents the proposed coverage at a point in time. Each year we revisit our risk and coverage assessments and revise the plan where needed.

Appendix B is a summary of all government organizations and trust funds where the current year coverage, fiscal 2006/2007, and proposed coverage for 2007/2008 and 2008/2009, differs from the last plan the Public Accounts Committee approved in November 2005, along with a brief explanation for each change.

Additional Reporting Requirements Under the Act

Auditor General Appointments Exceeding Five Years

When the new Auditor General Act was being drafted over five years ago, the higher standards being considered for the accounting and auditing profession included developing requirements for firms to only be the auditors of organizations for five years at a time. This was to help ensure that a strong independence relationship was maintained between the auditors and those they were auditing. Since then, however, the profession has instead adopted a regime of senior staff rotation on audit engagements, in addition to other safeguards for independence.

Section 10(7)(d) of the Auditor General Act requires Public Accounts Committee approval for the Auditor General to be appointed as direct auditor of a government organization or trust fund for a period of more than five consecutive fiscal years. We are requesting Public Accounts Committee approval for the Auditor General to continue as the appointed auditor for a number of government organizations and trust funds where our terms will exceed the five-year limit, and where we believe it makes sense to continue to be the appointed auditor.

Organization	Rationale for Exceeding Five Years
British Columbia Assessment Authority	Student development audit and December year-end. Government has a March year-end, so it allows for better staff utilization. It also complements the performance assurance work we do in this organization.
British Columbia Enterprise Corporation	Non-active company, managed by a Ministry we already audit.
British Columbia Immigrant Investment Fund Ltd.	Maintaining direct audit involvement at the request of the Ministry.
British Columbia Pavilion Corporation	Maintain direct audit involvement at the request of the Board.
British Columbia Securities Commission	Most private sector assurance firms are significantly involved in auditing financial statements of entities that the Commission regulates. We agree with the Commission that it would be difficult to find an audit firm that would have both the capacity and be sufficiently independent to conduct its financial statement audit. Since our Office is independent by legislation, it appears to be an appropriate relationship to continue.

Organization	Rationale for Exceeding Five Years
British Columbia Transportation Financing Authority	Significant organization for capital financing of government highway infrastructure projects through the Ministry of Transportation, which we already audit
Columbia Power Corporation	Maintain our knowledge about the significant hydro electric energy sector.
Forestry Innovation Investment Ltd.	Maintaining direct audit involvement for now at the request of the Ministry.
Liquor Distribution Branch	Student development audit, a large revenue stream, and an integral part of a Ministry we already audit.
Oil and Gas Commission	Maintain our knowledge of the expanding energy exploration sector.
Public Guardian and Trustee (Estates and Trusts)	The Public Guardian and Trustee Act requires financial statement and performance reporting audits. Maintaining this audit is part of our development of performance reporting capacity.
Public Guardian and Trustee (Operating Account)	As above.
Tourism British Columbia	Student development audit and need to maintain insight into tourism sector issues leading up to 2010 Olympic Games.
Vancouver Convention Center Expansion Project	Major capital construction project. Efficient to maintain the same auditor for the remaining project life.

Summary of Consultations

Section 10(7)(g) of the Auditor General Act requires a summary of consultations in respect of the plan.

Our annual consultation process starts by discussing proposed changes with governing boards and senior management of organizations that will be impacted by changes to the plan from the previously approved version. This consultation occurs during drafting of the plan. The form of consultation varies, and may include in-person discussions with senior management and board chairs or equivalent, attendance and discussion at Audit Committee meetings, or telephone conversations

with Chairs of Audit Committees. We have completed consultations with all organizations impacted by changes to the current plan and all understand the proposed audit coverage.

In addition, after the plan has been reviewed and approved by the Public Accounts Committee, we will communicate in writing with all organizations impacted by the plan, informing them of the final decisions of the Committee.

Implications for the Office Budget

Section 10(7)(c) of the Auditor General Act requires the plan to include the implications on the budget of the Office.

All of the audits of the 146 entities in the reporting entity are performed on a fee-for-service basis. The majority of the entities (just over 100), have audits performed by private sector auditors. In these cases, our Office has little involvement, and thus there are minimal implications from these audits on our budget. The auditors are generally appointed based on a formal request-for-proposal procurement process. For the entities where the Auditor General is the auditor of record (21 proposed for 2007/08), and where the Auditor General has oversight involvement (19 proposed for 2007/08), we charge audit fees.

For fiscal 2007/08, we anticipate that our financial statement audit fees will be about $2.2 million, representing a moderate increase over 2006/07. Looking ahead, we believe there will be additional pressure to increase fees to recover our costs, as we implement new, more rigorous auditing standards mandated by the profession.

To formulate our audit fees, we typically use the same approach as is done in private sector practice, except for building in a return on investment or profit element. In estimating audit hours, we consider all the elements required to meet professional standards such as entity type and size, areas of audit risk, complexity, materiality and scope. Our costs are calculated based on charge-out rates for assigned staff (that include direct costs for salaries and benefits), and an overhead component (reflecting the costs of running the office).

Request for Approval to Audit Organizations Outside the Government Reporting Entity

Section 14 of the Auditor General Act allows the Auditor General, with the consent of the Public Accounts Committee, to be appointed auditor of a government organization or trust fund that is not part of the Summary Financial Statements of the Province.

As in prior years, we therefore include in this audit coverage plan a request for approval to continue to be the appointed auditor for the following organizations outside the government reporting entity:

- WorkSafeBC – As a trust fund that is not controlled or managed by government, WorkSafeBC is not included in the Summary Financial Statements, but is still an entity that is significant to the people of the province.
- Provincial Employees Community Services Fund – This organization is a small charitable employee trust for provincial employees. The Office conducts an annual financial statement audit, free of charge, to help support the organization.

Administration of the Auditor Appointment Process

Following approval of the audit coverage plan, we communicate the Committee's decision in writing to the board of each government organization. The governing boards then appoint their financial statement auditor – either the Auditor General, or another auditor selected by the governing board.

When the approved audit coverage plan calls for a government organization to appoint an auditor from the private sector, we recommend the use of a competitive process that is consistent with sound public sector procurement practices to secure audit services that will meet the board's needs and provide good value-for-money. We also recommend selection criteria based largely on auditor capability, audit strategy, and price.

The Auditor General will continue to assist boards and audit committees in the selection and appointment of auditors by:

- making available a template for a Request for Proposal process, including a model Service Agreement for audit services;
- providing information about the availability of fee-for-service process support from the Procurement and Supply Services group in the Ministry of Labour and Citizen's Services; and
- being available to provide advice on specific issues, or more active advisory participation in the selection and appointment process.

We will also request that governing boards of government organizations include provisions for the appropriate involvement of the Auditor General in the service agreements with their financial statement auditors.

Appendix A: Detailed Financial Statement Audit Coverage Plan for Fiscal Years 2007/2008 through 2009/2010

PLAN LEGEND:

OAG: **High Involvement:** Audit performed by the Auditor General, using existing staff (OAG - Direct) or private sector audit firms under contract (OAG - Contract).

Oversight: **Moderate Involvement** – Auditors other than the Auditor General are appointed auditors; however the Auditor General conducts oversight procedures.

Blank cells: **Low Involvement** – Auditors other than the Auditor General are appointed auditors; only limited involvement by the Auditor General.

ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
Colleges					
British Columbia Institute of Technology	Oversight	Oversight	Oversight	Oversight	Oversight
Camosun College					Oversight
Capilano College			Oversight	Oversight	
College of New Caledonia					
College of the Rockies					
Douglas College				Oversight	OAG - Contract
Emily Carr Institute of Art and Design					
Institute of Indigenous Government					
Justice Institute of British Columbia					
Kwantlen University College					
Langara College	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Malaspina University College		Oversight	Oversight		
Nicola Valley Institute of Technology					
North Island College					
Northern Lights College					
Northwest Community College					
Okanagan College [1]					Oversight
Selkirk College					
University College of the Fraser Valley					
Vancouver Community College	Oversight	Oversight			

[1] Okanagan College - New college in 2005/2006 resulting from the consolidation/reorganization of Okanagan University College into the University of British Columbia

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ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
School Districts					
School District No. 5 (South East Kootenay)					
School District No. 6 (Rocky Mountain)					
School District No. 8 (Kootenay Lake)					
School District No. 10 (Arrow Lakes)					
School District No. 19 (Revelstoke)					
School District No. 20 (Kootenay-Columbia)			Oversight	Oversight	
School District No. 22 (Vernon)					
School District No. 23 (Central Okanagan)					
School District No. 27 (Cariboo-Chilcotin)					
School District No. 28 (Quesnel)					
School District No. 33 (Chilliwack)					Oversight
School District No. 34 (Abbotsford)					
School District No. 35 (Langley)					
School District No. 36 (Surrey)				Oversight	OAG - Direct
School District No. 37 (Delta)					
School District No. 38 (Richmond)	Oversight	OAG - Contract	OAG - Contract	OAG - Contract	OAG - Contract
School District No. 39 (Vancouver)					
School District No. 40 (New Westminster)					

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ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
School District No. 41 (Burnaby)					
School District No. 42 (Maple Ridge-Pitt Meadows)					
School District No. 43 (Coquitlam)					
School District No. 44 (North Vancouver)					
School District No. 45 (West Vancouver)					
School District No. 46 (Sunshine Coast)					
School District No. 47 (Powell River)					
School District No. 48 (Howe Sound)					
School District No. 49 (Central Coast)					
School District No. 50 (Haida Gwaii-Queen Charlotte)					
School District No. 51 (Boundary)					
School District No. 52 (Prince Rupert)			Oversight	Oversight	
School District No. 53 (Okanagan-Similkameen)					
School District No. 54 (Bulkley Valley)					
School District No. 57 (Prince George)	Oversight				
School District No. 58 (Nicola-Similkameen)					
School District No. 59 (Peace River South)					
School District No. 60 (Peace River North)					

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ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
School District No. 61 (Greater Victoria)					Oversight
School District No. 62 (Sooke)					
School District No. 63 (Saanich)		Oversight	Oversight		
School District No. 64 (Gulf Islands)					
School District No. 67 (Okanagan-Skaha)					
School District No.68 (Nanaimo-Ladysmith)	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	
School District No. 69 (Qualicum)					
School District No. 70 (Alberni)					
School District No. 71 (Comox Valley)					
School District No. 72 (Campbell River)					
School District No. 73 (Kamloops-Thompson)	Oversight				
School District No. 74 (Gold Trail)					
School District No. 75 (Mission)					
School District No. 78 (Fraser-Cascade)					
School District No. 79 (Cowichan Valley)					
School District No. 81 (Fort Nelson)					
School District No. 82 (Coast Mountains)					
School District No. 83 (North Okanagan-Shuswap)					Oversight
School District No. 84 (Vancouver Island West)					

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ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
School District No. 85 (Vancouver Island North)					
School District No. 87 (Stikine)					
School District No. 91 (Nechako Lakes)					
School District No. 92 (Nisga'a)					
School District No. 93 (Francophone Education Authority)					
Universities					
Royal Roads University					
Simon Fraser University	Oversight	Oversight	OAG - Contract	OAG - Contract	OAG - Contract
Thompson Rivers University					
University of British Columbia	OAG - Contract	OAG - Contract	Oversight	Oversight	Oversight
University of Northern British Columbia					
University of Victoria	Oversight	Oversight	Oversight	Oversight	Oversight
Health Authorities					
Fraser Health Authority	OAG - Contract	OAG - Contract			
Interior Health Authority	Oversight	Oversight			
Northern Health Authority	Oversight	Oversight			
Provincial Health Services Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Coastal Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Island Health Authority	Oversight	Oversight	OAG - Direct	OAG - Direct	OAG - Direct

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ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
Hospital Societies					
Bella Coola General Hospital					
Louis Brier Home and Hospital					
Menno Hospital					
Mount St. Mary Hospital					
Nisga'a Valley Health Board					
Providence Health Care [includes Chara Health Care Society, Holy Family Hospital, St. Paul's Hospital]	Oversight	Oversight	Oversight	Oversight	Oversight
R. W. Large Memorial Hospital					
St. Joseph's General Hospital					
St. Michael's Centre					
Wrinch Memorial Hospital					
Children and Family Services Regional Authorities					
Community Living BC	OAG - Direct	OAG - Direct	OAG - Direct	Oversight	Oversight
Trust Funds					
BC Public Service Long Term Disability Plan					
BC Rail Ltd. Pension Plan					
Credit Union Deposit Insurance					
Members of the Legislative Assembly Superannuation Account					
Public Guardian & Trustee (Estates & Trusts)	OAG - Contract	OAG - Contract	OAG - Contract	OAG - Contract	OAG - Contract
Crown Corporations					
British Columbia Arts Council					
British Columbia Assessment Authority	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
British Columbia Enterprise Corporation	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct

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	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
British Columbia Games Society					
British Columbia Housing Management Commission	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Hydro Power Authority	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Immigrant Investment Fund Ltd.	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
British Columbia Innovation Council					
British Columbia Lottery Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Pavilion Corporation	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
British Columbia Railway Company	Oversight	Oversight	Oversight	Oversight	Oversight
Brisith Columbia Securities Commission	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
British Columbia Transit	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Transmission Corporation	OAG - Contract	OAG - Contract	OAG - Contract	Oversight	Oversight
British Columbia Transportation Financing Authority	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Canadian Blood Services					
Columbia Basin Trust					
Columbia Power Corporation	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Creston Valley Wildlife Management Authority					
"First Peoples' Heritage, Language & Culture Council"					
Forestry Innovation Investment Ltd.	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Homeowner Protection Office					
Industry Training Authority	OAG - Direct	OAG - Direct	OAG - Direct		
Insurance Corporation of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight

PLAN LEGEND:

OAG: **High Involvement:** Audit performed by the Auditor General, using existing staff (OAG - Direct) or private sector audit firms under contract (OAG - Contract).

Oversight: **Moderate Involvement** – Auditors other than the Auditor General are appointed auditors; however the Auditor General conducts oversight procedures.

Blank cells: **Low Involvement** – Auditors other than the Auditor General are appointed auditors; only limited involvement by the Auditor General.

ORGANIZATION	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2005/2006	Fiscal 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
Leading Edge Endowment Fund Society					
Legal Services Society					
Liquor Distribution Branch	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Oil and Gas Commission	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Open Learning Agency					
Organized Crime Agency of BC					
Partnerships British Columbia [2]	OAG - Direct	Oversight	Oversight	Oversight	
Private Career Training Institutions Agency					
Provincial Capital Commission					
Provincial Rental Housing Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
Rapid Transit Project 2000 Ltd.					
Royal British Columbia Museum Corporation					
Tourism British Columbia	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Vancouver Convention Center Expansion Project	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
Other Organizations – CRF Organizations with Stand-Alone Audited Financial Statements					
Pacific Technology Resources Society	OAG - Direct				
Public Guardian & Trustee (Ops)	OAG - Contract	OAG - Contract	OAG - Contract	OAG - Contract	OAG - Contract
Other Organizations – Non Government Reporting Entity Engagements					
Provincial Employees Community Services Fund	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct
WorkSafe British Columbia	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct	OAG - Direct

[2] Partnerships British Columbia - Consultations are ongoing with Partnerships British Columbia's Board. Existing plan calls for oversight involvement beginning in 2006/2007. The Board is considering asking the Auditor General to continue as direct auditors for an additional two years (through 2007/2008). A decision is expected by mid December.

Appendix B: Summary of Changes from the Prior Year Plan [1]

Organization	Changes	Rationale
School District No. 36 (Surrey)	Prior year plan was for limited involvement in 2008/2009. Current year plan is for oversight involvement in 2008/2009.	Increase to oversight role in order to become familiar with the district prior to direct audit involvement in 2009/2010.
University of British Columbia	Prior year plan was for direct audit for 2006/2007 through 2008/2009. Current year plan is for oversight involvement only in 2007/2008 through 2009/2010.	We have been the direct auditor of UBC for many years. Decision made to rotate our university audit coverage, i.e. replaced by Simon Fraser University.
Simon Fraser University	Prior year plan was for oversight involvement for 2006/2007 through 2008/2009. Current year plan is for direct audit involvement in 2007/2008 through 2009/2010.	Replaces University of British Columbia as our direct audit in the university sector.
University of Northern British Columbia	Prior year plan was for oversight involvement for 2007/2008 through 2008/2009. Current year plan is for only limited involvement in 2007/2008 through 2009/2010.	Based on revised assessment of required audit coverage in the university sector i.e. reduced involvement.
Fraser Health Authority	Prior year plan was for oversight involvement for 2007/2008 through 2008/2009. Current year plan is for limited involvement in 2007/2008 through 2009/2010.	Based on revised assessment of required audit coverage in the health sector i.e. reduced involvement.
Interior Health Authority	Prior year plan was for oversight involvement for 2006/2007 through 2008/2009. Current year plan is for only limited involvement in 2007/2008 through 2009/2010.	Based on revised assessment of required audit coverage in the health sector i.e. reduced involvement.

[1] Plan presented to Public Accounts Committee in November 2005 for fiscal years 2006/2007 through 2008/2009

Organization	Changes	Rationale
Northern Health Authority	Prior year plan was for oversight involvement for 2006/2007 through 2008/2009. Current year plan is for only limited involvement in 2007/2008 through 2009/2010.	Based on revised assessment of required audit coverage in the health sector i.e. reduced involvement.
Provincial Health Services Authority	Prior year plan was to increase to direct audit in 2007/2008 and 2008/2009. Current year plan is for only oversight involvement in 2007/2008 through 2009/2010.	Based on revised assessment of required audit coverage in the health sector i.e. reduced involvement.
British Columbia Enterprise Corporation	Organization was not included in last years plan.	We have been, and plan to continue as direct auditors for this organization. BCEC is a non-active company.
British Columbia Immigrant Investment Fund Ltd.	Prior year plan was for limited involvement for 2006/2007 through 2008/2009. Current year plan is for direct audit involvement in 2007/2008 through 2009/2010.	Direct audit involvement at the request of the Ministry i.e. increased involvement.
Forestry Innovation Investment Ltd.	Prior year plan was for limited involvement beginning in 2008/2009. Current year plan is to continue as direct auditors through 2009/2010.	Based on a revised risk assessment for the organization i.e. increased involvement.
Provincial Capital Commission	Prior year plan was for to begin oversight involvement in 2008/2009. Current year plan is to continue limited involvement through 2009/2010.	Based on a revised risk assessment for the organization.